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Farm Custom Rates for 1958

Farm custom work—hiring, doing or exchanging services—offers several possibilities for cutting machinery costs in 1958. And the 1958 Iowa Farm Custom Rate Guide can help you figure your custom work costs.

by Ray E. Armstrong

CUSTOM WORK offers two distinct possibilities for cutting machinery costs in 1958. Whether you can or should take advantage of one or both depends to some extent on the size of your farm, the machinery you have and the time or labor you have available. One possibility is to perform custom work for others with some of your machinery. The other is to use the services of a neighbor offering to do custom operations.

Experiment Station studies have shown that some Iowa farms have more machine capacity than can be fully used on the farm where located. In this case, using some of this capacity in *doing* custom work for neighbors permits you to make fuller use of a machine and to earn a return on this use.

Other farms meanwhile lack one or more particular pieces of equipment to do a given job most efficiently, and the operator may not want to invest in a machine to do this particular job—especially if it cannot be used very much or also for other purposes. The opportunity here is that of *hiring* custom work to get the job done without a substantial machinery investment.

Some operators may find it advantageous to follow up both opportunities—hiring some types of custom work on his own farm and, at the same time, offering some custom services to his neighbors.

There are cost-saving possibilities on nearly every farm, though they may be quite different from farm to farm. While the purpose of this article is to deal with custom rates, we recommend that you look over and seek out other cost-saving prospects on your farm. Some things have to be balanced off against others, but you're generally ahead wherever you can do the same job that you've been doing at lesser cost.

Custom Work . . .

Supply and demand for custom services and machinery set the effective going rate—the combination of the number of operators willing to do custom work and the number of operators seeking custom services. The information in this article is intended only as a guide in determining the rates to charge or the rates you can expect to pay for custom services.

Certain types of equipment aren't used enough in some areas for a "going rate" to be set by supply and demand. And, often, a transaction is between parties not wishing to bargain for "all they can get." Or, an exchange of services between the parties may be involved. Individual local conditions must be considered in using and adjusting the rates given in the 1958 custom rate guide.

The Iowa State College Farm Services Department has the responsibility for a considerable amount of farming operations and services of field tillage and crop harvesting for other departments of the college. This provides the opportunity to study the costs of certain farm operations. It is from this experience and background, plus cooperation of people working in the field of farm management and costs supplied to us from colleges and universities in adjoining states, that we develop the sug-

gested custom charges and rates. Most of the services performed by the Farm Services Department are, in fact, handled on a custom basis, with the costs charged back to the departments for which the work is done.

At the beginning of each year, we prepare an adjusted schedule of service rates. Each charge is determined by anticipating increases or decreases based on several years' records. *Labor* costs are carried as a separate item in our rates and, thus, are NOT included in the custom rate guide.

The guide rates are based on the approximate unit cost of work done under normal conditions and are generally applicable to most Iowa conditions. For highly favorable conditions—large fields, long rows, etc.—the rate should be less than suggested in the guide. For unfavorable conditions—small or irregular fields, poor soil conditions, etc.—the rates should be adjusted upward. Labor charges have been omitted because these vary with local conditions and among different parts of the state.

How To Use Guide . . .

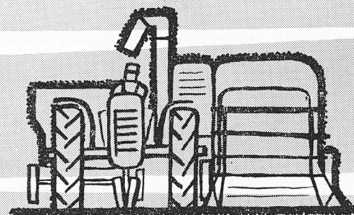
Suggested charges and rates in the guide apply to normal working conditions. Remember that it is only a guide and that the actual "going rate" locally may be above or below that listed.

The cost of owning and operating farm power units and machinery may be divided into two separate cost items—cost of ownership and cost of operation. Both are taken into consideration in the rates suggested in the guide.

Cost of ownership represents a fixed cost, including costs of (1) depreciation, (2) interest and investment, (3) taxes and insurance and (4) housing.

Cost of operation or the actual out-of-pocket cost for operating a tractor or machine is a variable cost and is directly dependent on amount of use, including (1) fuel or power cost, (2) repair, (3) lubrication, etc.

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IOWA FARM CUSTOM RATE GUIDE—1958

Farm operation	Suggested charge under normal conditions (labor NOT included)	
	Per hour	Per acre
TILLAGE:		
Plowing, 2-bottom	\$2.50	\$2.75
Plowing, 3-bottom	3.00	2.50
Disk harrow, 15-foot single	2.00	0.50
Disk harrow, 10-foot tandem	2.50	0.80
Disk harrow, 14-foot tandem	3.00	0.70
Spike-tooth harrow, 22-foot	1.80	0.25
Spring-tooth harrow, 17-foot	2.00	0.65
Packing, double-gang corrugated roller	2.00	0.65
PLANTING:		
Drill, small-grain, 11-foot	3.00	0.80
Drill, small-grain, 11-foot, with fertilizer attachment and grass seeder	4.25	1.10
Endgate seeder	1.25	0.30
Packer seeder	2.50	0.65
Plant corn, drill, 2-row	1.50	1.00
Plant corn, drill, 4-row	3.00	0.90
Plant corn, check, with fertilizer, 2-row	1.75	1.20
Plant corn, check, with fertilizer, 4-row	4.00	1.00
CULTIVATION:		
Rotary hoe or weeder, 2-row	1.80	0.50
Rotary hoe or weeder, 4-row	2.50	0.40
Cultivate, 2-row	1.75	0.85
Cultivate, 4-row	3.00	0.70
Cultivate and fertilize, 2-row	2.00	1.05
Cultivate and fertilize, 4-row	3.25	0.90
HARVESTING:		
Corn picking, 2-row	6.50	3.25
Combining, direct or pick-up	7.00	3.50
Corn combining	8.00	4.00
Windrowing	2.50	0.85
Forage harvesting, corn and sorghum	6.00	6.00
Forage harvesting, grass and legume	5.00	5.00
HAYING:		
Mowing or pasture clipping	2.25	0.75
Raking, side delivery	2.50	0.80
Baling, field pickup	0.11 per bale	.....
Field chopping	6.00	.....
FERTILIZING:		
Spread commercial fertilizer, broadcast	2.25	0.70
Tractor and manure loader	2.00	.....
SPRAYING:		
Sprayer, tractor with attached or trailer-type boom	1.30	.....
Sprayer, high-clearance, self-propelled	1.00	.....
MISCELLANEOUS:		
Mowing roadsides	2.50	.....
Cut cornstalks, 2-row, rotary-type	2.50	1.20
Bore post holes	2.00	.....
Saw wood, chain saw	2.50	.....
Tractor only, 2-plow	1.25	.....
Tractor only, 3-plow	1.50	.....
Tractor only, 4-plow	1.75	.....
Shell corn	2 1/2c per bushel	.....
Dry shelled corn or small grain	1c per bushel per percent of moisture removed; 5c minimum charge per bushel	.....